



FOR IMMEDIATE RELEASE

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**Mayors Announce Creation of Vermont Mayors Coalition to Advocate for
Issues of Common Interest and Set Forth Legislative Policy Summary
Call for TIF Reform, Improved Public Safety, and Enhanced State Tax Credits in Designated Areas**

Montpelier, VT – Vermont’s mayors today announced the creation of the Vermont Mayors Coalition, a group including all eight Vermont mayors who plan to collaborate on issues of common interest to their cities and towns. At a press event in the State Capitol’s Cedar Creek Room, the Coalition in its first official act released its Legislative Policy Summary for the 2013 legislative session, including calls for tax increment financing (TIF) reform, improved public safety, and enhanced state tax credits in designated areas.*

The eight Vermont Mayors who make up the Coalition are:

- Mike Daniels, Vergennes;
- Liz Gamache, St. Albans;
- John Hollar, Montpelier;
- Thom Lauzon, Barre;
- Chris Louras, Rutland;
- Paul Monette, Newport;
- Mike O’Brien, Winooski; and
- Miro Weinberger, Burlington.

Seven of the eight mayors attended the announcement. Mayor Monette was unable to attend, as he was joining Governor Shumlin today for an economic development announcement in the Newport area.

The mayors offered the following statements about both formation of the Vermont Mayors Coalition and about the issues of common interest they are advocating for during the 2013 legislative session:

Barre Mayor Thom Lauzon: “The Vermont Mayors Coalition supports efforts by the Shumlin Administration to review the State’s development credit programs to support community-appropriate housing and greater program effectiveness.”

Burlington Mayor Miro Weinberger: “The Vermont Mayors Coalition recognizes TIF districts as one of the most significant economic development tools Vermont cities have to help create jobs, grow the property tax base, and make catalytic public investments. The Coalition agrees with the recent report

Mike Daniels, **VERGENNES** • Liz Gamache, **ST. ALBANS** • John Hollar, **MONTPELIER** • Thom Lauzon, **BARRE**
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from the State Auditor's Office where it concludes that the current TIF legislation is easily misunderstood and creates opportunities for dispute between the State and municipalities. We look forward to working with the Legislature and the Shumlin Administration to strengthen TIF and create a win-win situation for both the State and its cities with TIF districts."

Montpelier Mayor John Hollar: "Vermont's cities are a large part of what makes our state an exceptional place to live and work. They are the centers of commerce throughout the state, and they provide places for most Vermonters to work and play. The Vermont Mayors Coalition will help bring attention to issues that are unique to cities to ensure they remain safe, healthy, and vibrant."

Newport Mayor Paul Monette: "With the ever-increasing abuse of prescription drugs in our communities, I join my colleagues in urging the Vermont General Assembly to enact a state law which allows law enforcement greater access to the prescription drug database. To combat this issue and all other drug abuse issues, we must provide all the necessary tools, not only for law enforcement, but also for the agencies and organizations tasked with the treatment of addiction."

Rutland Mayor Chris Louras: "The Coalition is a partnership designed to build on its members' individual strengths with the ultimate goal of overcoming our common challenges, be it developing our economy and tax base or combating the crime and quality of life issues facing our communities."

St. Albans Mayor Liz Gamache: "Faced with so many of the same opportunities and challenges in our respective communities, it makes good sense for Vermont's mayors to collaborate. From our downtowns to our neighborhoods, focusing on economic development and public safety is essential to ensure a future with vibrant urban centers throughout Vermont. By working together, the Vermont Mayors Coalition is well-positioned to take a solutions-oriented approach while advocating for the needs of Vermont's cities."

Vergennes Mayor Mike Daniels: "With the national focus on gun control, I urge the Vermont General Assembly to enact a state law, like the existing Federal law, that would prohibit felons from possessing firearms and would, therefore, keep Vermont safer."

Winooski Mayor Mike O'Brien: "The Vermont Mayors Coalition represents a great opportunity for the eight elected mayors of the State to come together to work on issues of common interest. One of the first such issues we identified is TIFs. We need to be sure that the precise language of the enabling legislation that created each TIF district is not changed during the life of the district. This continuity will ensure that the State, cities with TIF districts, and investors all are on the same page and will provide greater clarity and security regarding a city's ability to secure debt and to pay its financial obligations."

**Please see attached Legislative Policy Summary for details of the Vermont Mayors Coalition's call for TIF reform, improved public safety, and enhanced state tax credits in designated areas.*

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Legislative Policy Summary 2013 Legislative Session – January 15, 2013

The Vermont Mayors Coalition is supporting state action to support municipalities in three areas:

- Tax Increment Financing (TIF) Reform
- Improved Public Safety
- Enhanced State Tax Credits in Designated Areas

Tax Increment Financing (TIF) Reform

The Vermont Mayors Coalition recognizes that one of the most significant economic development tools Vermont cities have to help create jobs, grow the property tax base, and make catalytic public investments is Tax Increment Financing (TIF) Districts. The recent capstone report issued by the State Auditor's Office provides opportunity for positive change in this important program. The Vermont Mayors Coalition agrees with the auditor that the current TIF legislation is easily misunderstood and creates opportunities for dispute between the state and municipalities. The Coalition supports TIF reform in these areas:

- **Creation of performance measures.** Establishment and monitoring of performance measures would help ensure catalytic public investments and increase public confidence in the value of the program.
- **Reform of the current five-year time frame for incurring TIF debt.** Five years is not a sufficient time period for identifying, designing, permitting, and securing public votes on projects, as well as resolving all appeals within the Vermont permit system. The five-year rule also works against the interest of the State in growing post-TIF district property tax revenues.
- **Re-definition of the calculation of the municipal increment.** Ambiguities regarding the TIF calculation must be addressed to clarify what municipal taxes should be captured by TIF districts, and the "one vote" rule also must be reviewed and clarified.
- **Oversight by Agency of Commerce.** Greater, formalized communication and reporting between the State and municipalities administering TIF districts will minimize future TIF disputes.
- **Assignment to Designated Downtown TIFs of the same presumption of "but for" test achievement as Growth Center TIFs.** The requirements for approval of a TIF district safeguard the policy interests that govern the "but for" test. A municipality that can satisfy the other requirements of 32 VSA 5404a(h) should presumptively satisfy the test. Such a presumption already is codified for growth centers and should be codified in designated downtowns that are deeply-loved, economically vital, major tourist attractions, and very difficult and expensive locations in which to develop.
- **Determination of the legislation that governs existing TIF districts and restriction on any change that would impact a municipality's ability to pay its outstanding financial obligations.** The enabling legislation under which existing TIFs were created varies, a fact that has led to ambiguity in interpretation by the State, municipalities, and investors. The array of interpretations has the potential to change the forecasts used in securing debt, thus seriously jeopardizing a municipality's ability to pay its financial obligations. Once financing is secured, it is critical that the rules that apply to the municipality not be changed.

Improved Public Safety

The Vermont Mayors Coalition recognizes that the State of Vermont must provide public safety officials with effective tools to combat the growing drug culture and drug-related crime in Vermont that have contributed to the degradation of our quality of life. To that end, the Coalition supports:

- **Enacting a state law supporting law enforcement's expanded access to the prescription drug database.** This expansion should mirror language supported by Governor Shumlin during the 2011-12 legislative session, or language included in the Senate proposal of amendment to H. 745 of the 2011-12 legislative session. The scourge of opiate prescription drug abuse pervades all socioeconomic classes and destroys both families and communities. Currently, state investigative officers are authorized to travel to every pharmacy in Vermont tracking the potential route of drug abuse for individuals under investigation, and laws must be crafted to make investigations both more efficient and effective.
- **State support of municipalities by providing the tools, resources, and information necessary to hold individuals accountable for their actions.** Municipalities must effectively track and quantify the impact that individuals under pre-trial conditions of release and those under the supervision of the Department of Corrections are having on communities. Empirical evidence-based data analysis would further both the State's and municipalities' shared goals of being more effective in our law enforcement/corrections supervision efforts, while driving down adverse impacts on neighborhoods and municipal law enforcement resources.
- **Enacting a state law prohibiting a felon from possessing a firearm so that such an offense may be prosecuted under state law in addition to federal law.** While we rely on our federal partners to aggressively enforce this federal law, there are instances when they do not have the resources available to charge or prosecute all cases. Both State and Local law enforcement must be afforded "another tool in the toolbox" to keep weapons out of the hands of criminals, and keep armed and violent criminals off our streets.

Enhanced State Tax Credits in Designated Areas

The Vermont Mayors Coalition believes the State's various development credit programs have the potential to create jobs, help small businesses, and grow the property tax base. The Coalition supports the Shumlin Administration's efforts to:

- **Create a new framework for Vermont Neighborhoods to encourage and support community-appropriate housing development.** The Vermont Neighborhoods program has never achieved its goal to stimulate new housing. The proposal broadens the potential benefit area and creates a framework to help communities identify opportunities to build new housing in a way that respects Vermont's compact settlement pattern by targeting walkable areas, respecting local control, helping communities become housing development-ready, and making other reforms.
- **Make modest changes to improve consistency, collaboration, and program effectiveness in Designated Downtowns and Village Centers.** These efforts include minor changes to the goals and definitions, linkages to planning statutes, and administrative improvements to promote local training and collaboration.